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The Government ought to pay the farmer a bounty whenever wheat falls below a dollar: the farmer must pay anywhere from ten to sixty per cent more than he ought for everything made by our manufacturers, and any just and thoughtful man must admit the propriety of paying the farmer a bounty on his products to put him on all fours with the manufacturer.

Our manufacturers under our iniquitous tariff are enabled to sell their wares in foreign markets for one-third less than they get from their misguided fellow-citizens who allow themselves to be deceived by the specious arguments of the protectionists. It is unlikely that we shall ever have law-makers in Washington who will care for anything excepting the interests of those who furnish the money to carry elections.

On page 657 Mr. Worthington says, "the very people whose ancestors gave unsparingly of life and treasure to make America, not First perhaps, but Free." Is not this as far beside the mark as the bankers saying that patriotism demands that we subscribe to the foreign loan? Do we believe that the ministers of Louis XVI. were so enamored of republican institutions that France went to war out of sympathy for us? Was it not rather to injure England? Spain also declared war against England; certain it is that no one ever suspected Spain of altruism.

Spain and Holland bore no good will to England—the great English pirates, Morgan, Drake, Hawkins, and Sir Walter Raleigh, sailed the Spanish Main in peace and war to plunder the Spanish galleons—they even entered harbors in Spain for the purpose.

We agreed to make peace only in concert with France and Spain. Had we adhered to this agreement, at the declaration of peace we should have been obliged to content ourselves with the Alleghanies for our western boundary. France would have recovered the territory between the Alleghanies and the Mississippi; Spain would have got the southern part of Georgia.

The British Ministry sent an obscure agent—a Mr. Oswald—to discuss peace with the American Commissioners, Franklin, Jay, Adams, and Laurens; the French Court did not suspect the negotiations that were going forward; Mr. Oswald returned to London, and a merchant—a Mr. Hartley—went to Paris with full powers.

The astute Franklin, who recommended honesty—not on moral grounds, but as the best policy (see his writings)—treated the tripartite agreement as a "scrap of paper," and, regardless of our obligations to the French, made the best bargain that he could.

The Count de Vergennes accepted the situation gracefully when he found that it was *un fait accompli*.

ROBT. W. LEONARD.

MOUNT KISCO, N. Y.

"CRUDE FACTS" AND "PLAIN FAKES"

SIR,—In your November issue, referring to the Anglo-French loan, you say: "The English have no illusions on this score. Listen to the *Spectator* of October 2:

"The peculiarity of the present loan resides solely in the political circumstance in which it is contracted. Two belligerent countries are borrowing from a neutral to finance their operations of war. There is no escape from that crude fact."

Now what the *Spectator* here calls "a crude fact" is just a plain fake. The *Spectator*, along with people on both sides of the water, are being grossly deceived in the matter. The truth is that about every dollar which goes into this loan belongs to European capitalists. It is money which they received in former years in settlement of our invisible debts for internal dues, immigrants' remittances, tourists' expenses, ocean freights, etc.

An average estimate by prominent bankers published in the *Wall Street Journal* (1913) puts these debts at \$1,400,000,000. Our yearly trade balance, which, before 1914, averaged \$500,000,000, reduces this deficit to \$900,000,000. One part of this deficit is invested in our stocks and properties. Another part is kept in the form of gold in the banks of J. P. Morgan, Kuhn, Loeb & Co. and other international bankers, who invest part of it temporarily in short loans and loans to banks, and on the Stock Exchange. These loans have been renewed and carried over year after year until, at the opening of the war, they had reached an enormous total. This is the money which is now being invested in the foreign loan. Hence it is just as much a loan of European capital to European Governments as if it was floated in London and Paris. The few private individuals here who may take some of the bonds are British and French citizens temporarily residing here.

For months before the loan was floated here financial critics claimed that the decline of foreign exchange, from 4.86 to around 4.70 and lower, proved that England was unable to pay her debts and was in danger of bankruptcy. Dr. E. E. Pratt, chief of the Bureau of Commerce, claimed that Europe owed us \$900,000,000. Speaking to a representative of the *Brooklyn Eagle* (September 12), a member of the Morgan firm said:

This talk that England is going bankrupt because of the present condition of foreign exchange is simply ridiculous. As a matter of fact, Great Britain has financed her war for one year ahead. Her bills for the next twelve months are mostly paid. "Well then," queried the reporter, "to what do you attribute the present attitude of a great number of people who ought to understand the situation?" "I attribute it to hysteria: the same kind of hysteria that made people go about howling calamity at the beginning of the war when we had to pay \$7 for a pound sterling."

Now the "people" who indulged in this "ridiculous talk" and "hysteria" include nearly every financial critic on the New York and London newspapers, not forgetting the *Spectator*. The fact that England has paid her war bills for twelve months ahead proves that they were grossly ignorant of the international money situation. They should publicly challenge this statement in the *Eagle*. If they do not, the public will accuse them of exploiting a financial fake.

W. H. ALLEN.

BROOKLYN, N. Y.

THE NOVEMBER EDITORIALS

SIR,—Your editorials in the November issue are masterful and should be read by every American citizen, whether he may have a hyphen in his nationality or not.

DOUGLAS B. CRANE,

Member of Advisory Board of the American Legion.

OKLAHOMA CITY, OKLA.